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Fiscal Discipline Continues to Pay Off for Columbus Only Major City in Nation to Maintain a AAA Bond Rating from Two Major Rating Agencies

(Columbus, OH) Despite an ongoing national economic slump that has forced many states, universities and cities to delay or downsize Capital projects because of lowered bond ratings, Columbus announced today that it once **again earned an AAA rating from both Moody's Investor's Service and Standards and Poor's**. Of the nation's largest 25 cities, Columbus stands as the only major city in the nation to maintain the highest possible rating from both agencies.

"I'm proud of what we've been able to build in the past four years, and of all the great neighborhood projects that we will be building this year in partnership with City Auditor Hugh Dorrian and City Council," said Mayor Michael B. Coleman. "This high rating recognizes our commitment to fiscal discipline, and our commitment to driving new investment into neighborhood projects like fire stations, sidewalks, streetlights and parks. The high rating is unique among major cities, and one more reason that we believe residents should support our Capital Bond Package at the polls in November."

The rating agencies analyzed Columbus' tight fiscal controls and history of responsible accounting and budgeting in determining the high ratings. The AAA rating means that Columbus can continue to borrow at lower interest rates as the City moves forward \$302.5 million in neighborhood investments in 2004, and as planning continues for the \$600 million proposed for the 2004 Voted Bond Package.

"Of America's top 25 cities, Columbus is the only one to maintain a AAA rating from the two major rating agencies, and that only happens after the agencies do a detailed analysis of our financing, debt and accountability," said City Auditor Hugh Dorrian. "The Voters of Columbus can be confident that we will continue doing the best possible job with every dollar, and that we will use the lower interest rates to save Columbus potentially millions of dollars that can be reinvested in important Capital projects."

The City of Columbus Capital Budget is separate from the General Fund "Operating" Budget, and can only be invested in major purchases, construction or repair work, or land purchases. While the separate budgets are often confused, the City cannot use borrowed Capital Funding to pay for operating salaries, employees or other operational costs.

"In a tough economy, the smartest thing the City can do is invest -- invest in our people and in public services that put our people to work," said Council President Matt Habash. "This rating not only reflects the City's careful financial management, it also means we can maximize this year's spending to help prime our own economic pump and tend to our neighborhoods' needs."

In the past four years, the Mayor, Auditor and City Council have worked together to cut some \$150 million in spending from the General Operating Fund, without cutting essential neighborhood services, laying off fire fighters or police officers, or closing pools, parks and recreation centers. This fiscal discipline has helped reinforce the city's reputation and high standing with Bond Rating Agencies.